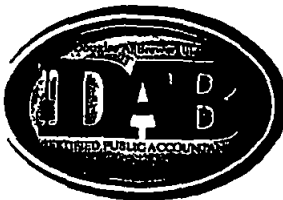


**Third Judicial District Public Defender Fund**  
**Parishes of Lincoln and Union, Louisiana**

**Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAR 27 2013**



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**Douglas A. Brewer, LLC**  
Certified Public Accountant

**Third Judicial District Public Defender Fund  
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For the Fiscal Year Ended June 30, 2012**

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# Douglas A. Brewer, LLC

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### INDEPENDENT AUDITOR'S REPORT

Third Judicial District Public Defender Fund  
Parishes of Lincoln and Union, Louisiana

I have audited the accompanying financial statements of the governmental activities, and each major fund of the Third Judicial District Public Defender Fund, as of and for the year ended June 30, 2012, which collectively comprise the Fund's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Third Judicial District Public Defender Fund, as of June 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 27, 2012, on my consideration of the Fund's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 2 through 5 and 19, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurances.

*Douglas A. Brewer, LLC*

Ruston, Louisiana

December 27, 2012

**Third Judicial District Public Defender Fund  
Management's Discussion And Analysis  
June 30, 2012**

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The management of the Third Judicial District Public Defender Fund offers readers of the Third Judicial District Public Defender Fund (Fund) financial statements this narrative overview and analysis of the financial activities of the Fund for the fiscal year ended June 30, 2012. This management discussion and analysis ("MD&A") is designed to provide an objective analysis of the Fund's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of the Fund's finances. It is also intended to provide readers with an analysis of the Fund's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Fund. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Fund's financial activity, identify changes in the Fund's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Fund's basic financial statements. The Fund's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements themselves.

### **Government-Wide Financial Statements**

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" Statement of Net Assets and Statement of Activities, which seek to give the user of the financial statements a broad overview of the Fund's financial position and results of operations in a manner similar to private sector businesses.

The statement of net assets presents information on all of the Fund's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Fund is improving or weakening.

The statement of activities presents information which shows how the government's net assets changed during this fiscal year. All changes in net assets are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected fines).

### **Government-wide Financial Analysis**

As noted earlier, net assets may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent period, the Fund's assets exceeded its liabilities by \$96,679 (net assets); this represents an increase of \$78,242 from the last fiscal year. Of this total net asset amount, \$96,679 is unrestricted net assets. The Fund's net assets are comprised of \$96,679 from governmental activities.

**Third Judicial District Public Defender Fund**  
**Management's Discussion And Analysis**  
**June 30, 2012**

The following is a condensed statement of the Third Judicial District Public Defender Fund's net assets as of June 30, 2012:

	Governmental-Type Activities		Total	
	2012	2011	2012	2011
<b>Assets</b>				
Current & Other Assets	\$ 98,369	\$ 20,109	\$ 98,369	\$ 20,109
Capital Assets (net)	-	-	-	-
Total Assets	<u>98,369</u>	<u>20,109</u>	<u>98,369</u>	<u>20,109</u>
<b>Liabilities</b>				
Other Liabilities	\$ 1,690	\$ 1,672	\$ 1,690	\$ 1,672
Long-term Liabilities	-	-	-	-
Total Liabilities	<u>1,690</u>	<u>1,672</u>	<u>1,690</u>	<u>1,672</u>
<b>Net Assets</b>				
Invested in capital assets, net	-	-	-	-
Restricted	-	-	-	-
Unrestricted	<u>96,679</u>	<u>18,437</u>	<u>96,679</u>	<u>18,437</u>
Total Net Assets	<u>96,679</u>	<u>18,437</u>	<u>96,679</u>	<u>18,437</u>

The Fund has unrestricted net assets of \$96,679, which may be used to meet the government's on-going obligation to citizens and creditors

The Fund had no capital assets or long-term debt.

**Third Judicial District Public Defender Fund  
Management's Discussion And Analysis  
June 30, 2012**

The following is a summary of the statement of activities:

	Governmental-Type Activities		Total	
	2012	2011	2012	2011
<b>Revenue</b>				
Program Revenue	\$ 577,783	\$ 454,019	\$ 577,783	\$ 454,019
General Revenue & Transfers	768	554	768	554
Total Revenue	<u>578,551</u>	<u>454,573</u>	<u>578,551</u>	<u>454,573</u>
<b>Expenses</b>				
Judicial	466,032	530,837	466,032	530,837
General & Administrative	<u>34,277</u>	<u>67,329</u>	<u>34,277</u>	<u>67,329</u>
Total Expenses	<u>500,309</u>	<u>598,166</u>	<u>500,309</u>	<u>598,166</u>
Increase (Decrease) in Net Assets	78,242	(143,593)	78,242	(143,593)
Net Assets, Beginning	<u>18,437</u>	<u>162,030</u>	<u>18,437</u>	<u>162,030</u>
Net Assets, Ending	\$ <u>96,679</u>	\$ <u>18,437</u>	\$ <u>96,679</u>	\$ <u>18,437</u>

Total revenues increased \$123,978 from the prior period

Expenses decreased \$97,857 from the prior period

**Governmental Activities**

The governmental activities of the Fund include Judicial activities. Revenues associated with support for public defenders such as fees and grants are sufficient for the funding of these activities.

**Business-type Activities**

The Fund does not have any business-type activities

**Fund Financial Statements – Governmental Funds**

The fund financial statements provide more detailed information about the Fund's most significant funds – not the Fund as a whole. Funds are accounting devices that the Fund uses to keep track of specific sources of funding and spending for a particular purpose.

The Fund adopts an annual budget for the General Fund. A statement of revenues, expenditures, and changes in fund balance for the General Fund is presented in the Required Supplemental Information (Schedule 1), which compares actual revenues and expenditures to the original budget and amended budget (if applicable) figures

**Third Judicial District Public Defender Fund  
Management's Discussion And Analysis  
June 30, 2012**

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**Financial Analysis of the Fund's Governmental Fund**

The Third Judicial District Public Defender Fund's governmental fund (General Fund) reported an ending fund balance of \$96,679, which is an increase of \$78,242. The entire ending fund balance of \$96,679 is unreserved

**General Fund Budgetary Highlights**

The Fund did amend the original General Fund budget during the course of the year. The budget is adopted on the accrual basis of accounting.

The difference between the General Fund final budgeted revenues and actual revenues for the year ended June 30, 2012, totaled \$32,069, a positive variance. The actual expenditures were less than the final amended budgeted expenditures for the year ended June 30, 2012, by \$53,591, a positive variance.

**Capital Asset and Debt Administration**

The Fund does not have capital assets or debt

**Current Financial Factors**

The Fund is working diligently to gain more revenue while decreasing expenses.

**Request for Information**

This financial report is designed to provide a general overview of the Third Judicial District Public Defender Fund's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Lewis A. Jones, District Public Defender  
Third Judicial District Public Defender Fund  
307 North Trenton Street, Suite 102  
Ruston, LA 71270-3867

## **Basic Financial Statements**



**Third Judicial District Public Defender Fund**  
**Statement of Net Assets**  
**June 30, 2012**

---

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Equivalents	\$ 56,761
Investments	5,849
Receivables	35,758
<b>Total Assets</b>	<b>\$ 98,368</b>
<b>Liabilities</b>	
Accounts Payable	\$ 1,690
<b>Total Liabilities</b>	<b>1,690</b>
<b>Net Assets</b>	
Unrestricted	96,679
<b>Total Net Assets</b>	<b>\$ 96,679</b>

The accompanying notes are an integral part of this financial statement

**Third Judicial District Public Defender Fund**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2012**

		<u>Program Revenues</u>		
		<u>Charges for</u>	<u>Capital</u>	<u>Operating</u>
	<u>Expenses</u>	<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>
			<u>Contributions</u>	<u>Contributions</u>
<b>Primary Government:</b>				
Governmental Activities:				
Judiciary	\$ 500,309	\$ -	\$ -	\$ -
Total Governmental Activities	<u>\$ 500,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-Type Activities:				
	\$ -	\$ -	\$ -	\$ -
Total Business-Type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Primary Government	<u>\$ 500,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**General Revenues:**

Court Costs on Fines  
Interest Income  
Miscellaneous  
Total General Revenues, Special Items, and Transfers  
**Changes in Net Assets**  
**Net Assets - Beginning**  
**Net Assets - Ending**

<b>Net (Expense) Revenue and Changes in Net Assets</b>		
<b>Primary Government</b>		

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (500,309)	\$ -	\$ (500,309)
\$ (500,309)	\$ -	\$ (500,309)
\$ -	\$ -	\$ -
\$ -	\$ -	\$ -
\$ (500,309)	\$ -	\$ (500,309)
577,783	-	577,783
118	-	118
650	-	650
578,551	-	578,551
78,242	-	78,242
18,437	-	18,437
\$ 96,679	\$ -	\$ 96,679

The accompanying notes are an integral part of this financial statement

**Third Judicial District Public Defender Fund**  
**Balance Sheet – Governmental Fund**  
**June 30, 2012**

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	<b>General Fund</b>
<b>Assets</b>	
Cash and equivalents	\$ 56,761
Investments	5,849
Receivables	35,758
<b>Total Assets</b>	<b>\$ 98,368</b>
 <b>Liabilities And Fund Equity</b>	
<b>Liabilities</b>	
Accounts Payable	\$ 1,690
<b>Total Liabilities</b>	<b>1,690</b>
 <b>Fund Equity</b>	
Fund Balance - Unassigned	\$ 96,679
<b>Total Fund Equity</b>	<b>96,679</b>
 <b>Total Liabilities And Fund Equity</b>	 <b>\$ 98,369</b>
 <b>Reconciliation to Statement of Net Assets:</b>	
There are no differences from amounts reported for <i>governmental activities</i> in the Statement of Net Assets	-
 Net Assets of Governmental Activities	 <b>\$ 96,679</b>

The accompanying notes are an integral part of this financial statement.

**Third Judicial District Public Defender Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Fiscal Year Ended June 30, 2012**

---

**Revenues**

Court costs on fines	\$ 577,783
Investment earnings	118
Miscellaneous	650
<b>Total Revenues</b>	<u>578,551</u>

**Expenditures - Judicial**

Public defender fees and expenses	466,032
Operating expenses	34,277
<b>Total Expenditures</b>	<u>500,309</u>

Excess of Revenues Over Expenditures	78,242
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**Fund Balance:**

Beginning of Period	18,437
End of Period	<u>\$ 96,679</u>

The accompanying notes are an integral part of this financial statement.

**Third Judicial District Public Defender Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**INTRODUCTION**

The Third Judicial District Public Defender Fund, established in compliance with Louisiana Revised Statutes 15:144-149, provides counsel to represent indigents (needy individuals) in criminal and quasi-criminal cases at the district level. The judicial district encompasses the parishes of Lincoln and Union. House Bill No. 436, adopted in the 2007 Regular Legislative Session created Louisiana Public Defender Funds within each judicial district, transferring all obligations, duties, powers and responsibilities from the previous boards. Revenues to finance the Fund's operations are provided primarily from court costs on fines imposed by the various courts within the district. The Fund has one employee, and has contracts with its District Defender and other attorneys to provide legal services to indigents.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying basic financial statements of the Third Judicial District Public Defender Fund have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Fund (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

**B. REPORTING ENTITY**

The indigent defender fund is part of the operations of the Louisiana Public Defender Board. The accompanying financial statements present information only on the funds maintained by the Third Judicial District Public Defender Fund.

**C. FUND ACCOUNTING**

The Third Judicial District Public Defender Fund uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain Fund functions or activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**Governmental Funds**

Governmental funds account for all or most of the Third Judicial District Public Defender Fund's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Fund. The following are the Fund's governmental funds:

**Third Judicial District Public Defender Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**General fund** – the primary operating fund of the Third Judicial District Public Defender Fund and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Fund policy.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Fund Financial Statements (FFS)**

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances report on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Third Judicial District Public Defender Fund operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available) Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Third Judicial District Public Defender Fund considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Court costs on fines and forfeitures are recorded in the year they are collected by the appropriate courts. Fees from indigents are recorded when received. Interest income is recorded in the year in which it is earned.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Assets and the Statement of Activities display information about the Fund as a whole. These statements include all the financial activities of the Third Judicial District Public Defender Fund. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Third Judicial District Public Defender Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**Program Revenues** – Program revenues included in the column labeled Statement of Activities are derived directly from Fund users as a fee for services; program revenues reduce the cost of the function to be financed from the Fund's general revenues.

**E. FUND EQUITY**

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

*Restricted Fund Balance* - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the District Defender – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the District Defender removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned Fund Balance* – This classification reflects the amounts constrained by the District Defender's "intent" to be used for specific purposes, but are neither restricted nor committed. The District Defender has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned Fund Balance* - This fund balance is the residual classification for the general fund. It is used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District Defender's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

**F. BUDGETS**

The Third Judicial District Public Defender Fund uses the following budget practices:



**Third Judicial District Public Defender Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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The Fund adopted a budget for the year ended June 30, 2012 for the General Fund. The Fund follows the following procedures in establishing the budgetary data reflected in the financial statements. In June, 2011, after posting notice of a public hearing for the purpose of adopting a budget in the local newspaper, a public hearing was held at the office of the District Defender. The District Defender, in consultation with and upon advice from the accountant who prepares the financial statements for the Third Judicial District Public Defender Fund, adopted an operating budget for the fiscal year commencing on July 1, 2011. The operating budget includes proposed expenditures and the means of financing them. The public was invited to attend the meeting that was held to adopt the budget. There were no amendments to the original budget.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Third Judicial District Public Defender Fund may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**H. INVESTMENTS**

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Fund's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

GASB Statement No.31 requires the Fund to report investments at fair value in the balance sheet, except as follows.

1. Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, should be reported using a cost-based measure, provided that the fair value of those contracts is not significantly affected by the impairment of the credit standing of the issuer or other factors.
2. The Fund may report at amortized cost money investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or other factors. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

**I. COMPENSATED ABSENCES**

The Third Judicial District Public Defender Fund does not have a formal leave policy.

**Third Judicial District Public Defender Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**J. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. CASH AND CASH EQUIVALENTS**

At June 30, 2012, the Third Judicial District Public Defender Fund had cash and cash equivalents (book balances) totaling \$62,610 as follows:

Interest-bearing demand deposits	\$ 56,761
Time deposits – investments	<u>5,849</u>
Total	\$ <u>62,210</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2012, the Third Judicial District Public Defender Fund had \$63,481 in deposits (collected bank balances). These deposits are secured from risk by \$63,481 of federal deposit insurance and \$0 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39-1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Third Judicial District Public Defender Fund that the fiscal agent has failed to pay deposited funds upon demand.

**3. INVESTMENTS**

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Third Judicial District Public Defender Fund or its agent in the Fund's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Fund's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Fund's name

**Third Judicial District Public Defender Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

At fiscal year-end, the Fund's investments balances were as follows:

Type of Investment	Category			Carrying Amount			Total Carrying Amount
	1	2	3	Fair Value	Amortized Cost	Cost	
Certificate of Deposit	\$5,849	-	-	\$5,849	-	-	\$5,849
Total Investments	\$5,849	\$0	\$0	\$5,849	\$0	\$0	\$5,849

**4. RECEIVABLES**

The receivables of \$35,758 at June 30, 2012, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>
Union Parish Court costs on fines	\$ 6,276
Lincoln Parish Court costs on fines	11,435
Bond Forfeiture Funds	7,914
Ruston City Marshal Court Cost on fines	10,134
Total	\$ 35,758

**5. ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables of \$1,690 at June 30, 2012, consisted of Accounts Payable.

**6. GOVERNMENTAL FUND REVENUES AND EXPENDITURES**

For the fiscal year ended June 30, 2012, the major sources of governmental fund revenues and expenditures were as follows:

**Revenues**

**State Government**

Appropriations – General	\$ 244,230
Appropriations - Special	-
Total	244,230

**Local Government**

Appropriations - General	305,188
Statutory fines, forfeitures, fees court costs, other	28,365
Total	333,553

**Investment Earnings** 118

**Miscellaneous** 650

**Total Revenues** \$ 578,551

**Third Judicial District Public Defender Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**Expenditures**

**Personnel Services and Benefits**

Salaries	\$ 22,800
Payroll Taxes	1,840
<b>Total</b>	<b><u>24,640</u></b>

**Operating Costs**

Library and Research	\$ 346
Contract Services – Attorney & Legal	399,162
Contract Services – Other	42,371
Lease – Office	7,200
Travel – Transportation	1,200
Insurance	682
Utilities and Telephone	660
Supplies	24,048
<b>Total</b>	<b><u>475,669</u></b>
<b>Total Expenditures</b>	<b><u>\$ 500,309</u></b>

**8. SUBSEQUENT EVENTS**

**Date of Management Evaluation**

Management has evaluated subsequent events through December 27, 2012, the date on which the financial statements were available to be issued.

## **Supplemental Information**

**Third Judicial District Public Defender Fund**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Court costs on fines	\$ 544,782	\$ 544,782	\$ 577,783	\$ 33,001
Investment Earnings	1,200	1,200	118	(1,082)
Miscellaneous	500	500	650	150
<b>Total Revenues</b>	<u>546,482</u>	<u>546,482</u>	<u>578,551</u>	<u>32,069</u>
<b>Expenditures</b>				
Public defender fees and expenses	503,936	503,936	466,032	37,904
Operating expenses	49,964	49,964	34,277	15,687
<b>Total Expenditures</b>	<u>553,900</u>	<u>553,900</u>	<u>500,309</u>	<u>53,591</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	(7,418)	(7,418)	78,242	85,660
<b>Fund Balance at Beginning of Year</b>	18,437	18,437	18,437	-
<b>Fund Balance at End of Year</b>	<u>\$ 11,019</u>	<u>\$ 11,019</u>	<u>\$ 96,679</u>	<u>\$ 85,660</u>

See independent auditor's report.

**Third Judicial District Public Defender Fund  
Notes to Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2012**

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**(1) Summary of Significant Accounting Policies**

The Fund annually adopts a budget for the General Fund. All appropriations are legally controlled at the Fund level for operations. In June, 2011, the Fund prepared and presented its original budget to the Louisiana Public Defender Board.

The budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets (if any). All budgets are presented on the modified accrual basis of accounting. Accordingly, the accompanying Budgetary Comparison Schedule for the Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

See independent auditor's report.

# Douglas A. Brewer, LLC

Certified Public Accountant

500 North Trenton

P.O. Box 1250

Ruston, LA 71273-1250

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Third Judicial District Public Defender Fund  
307 North Trenton Street  
Ruston, Louisiana 71270-3867

I have audited the financial statements of Third Judicial District Public Defender Fund, as of and for the year ended June 30, 2012, and have issued my report thereon dated December 27, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

## **Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the Third Judicial District Public Defender Fund's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Third Judicial District Public Defender Fund's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Third Judicial District Public Defender Fund's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.



**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the entity's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.

*Douglas A. Brewer, LLC*

Ruston, Louisiana  
December 27, 2012

**Third Judicial District Public Defender Fund  
Schedule of Findings and Questioned Costs  
For The Year Ended June 30, 2012**

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I have audited the financial statements of the Third Judicial District Public Defender Fund as of and for the year ended June 30, 2012, and have issued my report thereon dated December 27, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2012, resulted in an unqualified opinion.

**Section I- Summary of Auditors' Reports**

**A. Report on Internal Control and Compliance Material to the Financial Statements**

	<u>Yes</u>	<u>No</u>
<b><u>Internal Control</u></b>		
Material Weaknesses		X
Significant Deficiencies		X
<b><u>Compliance</u></b>		
Noncompliance Material to Financial Statements		X

**B Federal Awards – N/A**

**C. Identification of Major Programs: N/A**

**Third Judicial District Public Defender Fund  
Schedule of Findings and Questioned Costs  
For The Year Ended June 30, 2012**

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**Section II- Financial Statement Findings**

There were no findings for the year ended June 30, 2012.

**Section III- Federal Award Findings and Question Costs**

This section is not applicable for this entity.

**Third Judicial District Public Defender Fund  
Schedule of Prior Year Findings  
For the Year Ended June 30, 2012**

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**Internal Control and Compliance Material to the Financial Statements**

**From the Agreed-upon Procedures Engagement for the Year Ended June 30, 2011, dated December 20, 2011:**

**Finding:**

I compared the revenues and expenditures of the budget to actual revenues and expenditures. Actual revenues had an unfavorable variance of \$39,152, or 7.93% for the fiscal year. Expenditures for the year did not vary unfavorably from budgeted amounts by more than 5%.

**Status:**

Cleared

**Management Letter**

No management letter was issued.